

SECOND REGULAR SESSION  
[PERFECTED]  
HOUSE COMMITTEE SUBSTITUTE FOR  
**HOUSE BILL NO. 1042**  
**96TH GENERAL ASSEMBLY**

4431L.03P

D. ADAM CRUMBLISS, Chief Clerk

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**AN ACT**

To repeal sections 173.005 and 173.040, RSMo, and to enact in lieu thereof two new sections relating to duties prescribed to the coordinating board for higher education, with a penalty provision.

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*Be it enacted by the General Assembly of the state of Missouri, as follows:*

Section A. Sections 173.005 and 173.040, RSMo, are repealed and two new sections  
2 enacted in lieu thereof, to be known as sections 173.005 and 173.040, to read as follows:

173.005. 1. There is hereby created a "Department of Higher Education", and the  
2 division of higher education of the department of education is abolished and all its powers,  
3 duties, functions, personnel and property are transferred as provided by the Reorganization Act  
4 of 1974, Appendix B, RSMo.

5 2. The commission on higher education is abolished and all its powers, duties, personnel  
6 and property are transferred by type I transfer to the "Coordinating Board for Higher Education",  
7 which is hereby created, and the coordinating board shall be the head of the department. The  
8 coordinating board shall consist of nine members appointed by the governor with the advice and  
9 consent of the senate, and not more than five of its members shall be of the same political party.  
10 None of the members shall be engaged professionally as an educator or educational administrator  
11 with a public or private institution of higher education at the time appointed or during his term.  
12 Moreover, no person shall be appointed to the coordinating board who shall not be a citizen of  
13 the United States, and who shall not have been a resident of the state of Missouri two years next  
14 prior to appointment, and at least one but not more than two persons shall be appointed to said  
15 board from each congressional district. The term of service of a member of the coordinating  
16 board shall be six years and said members, while attending the meetings of the board, shall be

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

17 reimbursed for their actual expenses. Notwithstanding any provision of law to the contrary,  
18 nothing in this section relating to a change in the composition and configuration of congressional  
19 districts in this state shall prohibit a member who is serving a term on August 28, 2011, from  
20 completing his or her term. The coordinating board may, in order to carry out the duties  
21 prescribed for it in subsections 1, 2, 3, 7, and 8 of this section, employ such professional, clerical  
22 and research personnel as may be necessary to assist it in performing those duties, but this staff  
23 shall not, in any fiscal year, exceed twenty-five full-time equivalent employees regardless of the  
24 source of funding. In addition to all other powers, duties and functions transferred to it, the  
25 coordinating board for higher education shall have the following duties and responsibilities:

26 (1) The coordinating board for higher education shall have approval of proposed new  
27 degree programs to be offered by the state institutions of higher education;

28 (2) The coordinating board for higher education may promote and encourage the  
29 development of cooperative agreements between Missouri public four-year institutions of higher  
30 education which do not offer graduate degrees and Missouri public four-year institutions of  
31 higher education which do offer graduate degrees for the purpose of offering graduate degree  
32 programs on campuses of those public four-year institutions of higher education which do not  
33 otherwise offer graduate degrees. Such agreements shall identify the obligations and duties of  
34 the parties, including assignment of administrative responsibility. Any diploma awarded for  
35 graduate degrees under such a cooperative agreement shall include the names of both institutions  
36 inscribed thereon. Any cooperative agreement in place as of August 28, 2003, shall require no  
37 further approval from the coordinating board for higher education. Any costs incurred with  
38 respect to the administrative provisions of this subdivision may be paid from state funds  
39 allocated to the institution assigned the administrative authority for the program. The provisions  
40 of this subdivision shall not be construed to invalidate the provisions of subdivision (1) of this  
41 subsection;

42 (3) In consultation with the heads of the institutions of higher education affected and  
43 against a background of carefully collected data on enrollment, physical facilities, manpower  
44 needs, institutional missions, the coordinating board for higher education shall establish  
45 guidelines for appropriation requests by those institutions of higher education; however, other  
46 provisions of the Reorganization Act of 1974 notwithstanding, all funds shall be appropriated  
47 by the general assembly to the governing board of each public four-year institution of higher  
48 education which shall prepare expenditure budgets for the institution;

49 (4) No new state-supported senior colleges or residence centers shall be established  
50 except as provided by law and with approval of the coordinating board for higher education;

51 (5) The coordinating board for higher education shall establish admission guidelines  
52 consistent with institutional missions;

53           (6) The coordinating board for higher education shall require all public two-year  
54 and four-year higher education institutions to replicate best practices in remediation  
55 identified by the coordinating board and institutions from research undertaken by regional  
56 educational laboratories, higher education research organizations, and similar  
57 organizations with expertise in the subject, and identify and reduce methods that have been  
58 found to be ineffective in preparing or retaining students or that delay students from  
59 enrollment in college-level courses;

60           (7) The coordinating board shall establish policies and procedures for institutional  
61 decisions relating to the residence status of students;

62           [(7)] (8) The coordinating board shall establish guidelines to promote and facilitate the  
63 transfer of students between institutions of higher education within the state and [shall ensure  
64 that as of the 2008-09 academic year, in order to receive increases in state appropriations, all  
65 approved public two- and four-year public institutions shall work with the commissioner of  
66 higher education to establish agreed-upon competencies for all entry-level collegiate courses in  
67 English, mathematics, foreign language, sciences, and social sciences associated with an  
68 institution's general education core and that] , with the assistance of the committee on transfer  
69 and articulation, shall require all public two-year and four-year higher education  
70 institutions to create by July 1, 2014, a statewide core transfer library of at least  
71 twenty-five lower division courses across all institutions that are transferable among all  
72 public higher education institutions. The coordinating board shall establish policies and  
73 procedures to ensure such courses are accepted in transfer among public institutions and treated  
74 as equivalent to similar courses at the receiving institutions. The coordinating board shall  
75 develop a policy to foster reverse transfer for any student who has accumulated enough  
76 hours in combination with at least one public higher education institution in Missouri that  
77 offers an associate degree and one public four-year higher education institution in the  
78 prescribed courses sufficient to meet the public higher education institution's requirements  
79 to be awarded an associate degree. The department of elementary and secondary education  
80 shall [align such competencies with] maintain the alignment of the assessments found in  
81 section 160.518 and successor assessments with the competencies previously established  
82 under this subdivision for entry-level collegiate courses in English, mathematics, foreign  
83 language, sciences, and social sciences associated with an institution's general education  
84 core;

85           [(8)] (9) The coordinating board shall collect the necessary information and develop  
86 comparable data for all institutions of higher education in the state. The coordinating board shall  
87 use this information to delineate the areas of competence of each of these institutions and for any  
88 other purposes deemed appropriate by the coordinating board;

89           [(9)] **(10)** Compliance with requests from the coordinating board for institutional  
90 information and the other powers, duties and responsibilities, herein assigned to the coordinating  
91 board, shall be a prerequisite to the receipt of any funds which the coordinating board is  
92 responsible for administering;

93           [(10)] **(11)** If any institution of higher education in this state, public or private, willfully  
94 fails or refuses to follow any lawful guideline, policy or procedure established or prescribed by  
95 the coordinating board, or knowingly deviates from any such guideline, or knowingly acts  
96 without coordinating board approval where such approval is required, or willfully fails to comply  
97 with any other lawful order of the coordinating board, the coordinating board may, after a public  
98 hearing, withhold or direct to be withheld from that institution any funds the disbursement of  
99 which is subject to the control of the coordinating board, or may remove the approval of the  
100 institution as an approved institution within the meaning of section 173.1102. If any such public  
101 institution willfully disregards board policy, the commissioner of higher education may order  
102 such institution to remit a fine in an amount not to exceed one percent of the institution's current  
103 fiscal year state operating appropriation to the board. The board shall hold such funds until such  
104 time that the institution, as determined by the commissioner of higher education, corrects the  
105 violation, at which time the board shall refund such amount to the institution. If the  
106 commissioner determines that the institution has not redressed the violation within one year, the  
107 fine amount shall be deposited into the general revenue fund, unless the institution appeals such  
108 decision to the full coordinating board, which shall have the authority to make a binding and  
109 final decision, by means of a majority vote, regarding the matter. However, nothing in this  
110 section shall prevent any institution of higher education in this state from presenting additional  
111 budget requests or from explaining or further clarifying its budget requests to the governor or the  
112 general assembly; and

113           [(11)] **(12)** (a) As used in this subdivision, the term "out-of-state public institution of  
114 higher education" shall mean an education institution located outside of Missouri that:

115           a. Is controlled or administered directly by a public agency or political subdivision or is  
116 classified as a public institution by the state;

117           b. Receives appropriations for operating expenses directly or indirectly from a state other  
118 than Missouri;

119           c. Provides a postsecondary course of instruction at least six months in length leading  
120 to or directly creditable toward a degree or certificate;

121           d. Meets the standards for accreditation by an accrediting body recognized by the United  
122 States Department of Education or any successor agency; and

123           e. Permits faculty members to select textbooks without influence or pressure by any  
124 religious or sectarian source.

125 (b) No later than July 1, 2008, the coordinating board shall promulgate rules regarding:  
126 a. The board's approval process of proposed new degree programs and course offerings  
127 by any out-of-state public institution of higher education seeking to offer degree programs or  
128 course work within the state of Missouri; and  
129 b. The board's approval process of degree programs and courses offered by any  
130 out-of-state public institutions of higher education that, prior to July 1, 2008, were approved by  
131 the board to operate a school in compliance with the provisions of sections 173.600 to 173.618.  
132 The rules shall ensure that, as of July 1, 2008, all out-of-state public institutions seeking to offer  
133 degrees and courses within the state of Missouri are evaluated in a manner similar to Missouri  
134 public higher education institutions. Such out-of-state public institutions shall be held to  
135 standards no lower than the standards established by the coordinating board for program approval  
136 and the policy guidelines of the coordinating board for data collection, cooperation, and  
137 resolution of disputes between Missouri institutions of higher education under this section. Any  
138 such out-of-state public institutions of higher education wishing to continue operating within this  
139 state must be approved by the board under the rules promulgated under this subdivision. **The**  
140 **coordinating board may charge and collect fees from out-of-state public institutions to**  
141 **cover the costs of reviewing and assuring the quality of programs offered by out-of-state**  
142 **public institutions.** Any rule or portion of a rule, as that term is defined in section 536.010, that  
143 is created under the authority delegated in this section shall become effective only if it complies  
144 with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028.  
145 This section and chapter 536 are nonseverable and if any of the powers vested with the general  
146 assembly under chapter 536 to review, to delay the effective date, or to disapprove and annul a  
147 rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule  
148 proposed or adopted after August 28, 2007, shall be invalid and void.  
149 (c) Nothing in this subdivision or in section 173.616 shall be construed or interpreted  
150 so that students attending an out-of-state public institution are considered to be attending a  
151 Missouri public institution of higher education for purposes of obtaining student financial  
152 assistance.  
153 3. The coordinating board shall meet at least four times annually with an advisory  
154 committee who shall be notified in advance of such meetings. The coordinating board shall have  
155 exclusive voting privileges. The advisory committee shall consist of thirty-two members, who  
156 shall be the president or other chief administrative officer of the University of Missouri; the  
157 chancellor of each campus of the University of Missouri; the president of each state-supported  
158 four-year college or university, including Harris-Stowe State University, Missouri Southern State  
159 University, Missouri Western State University, and Lincoln University; the president of Linn  
160 State Technical College; the president or chancellor of each public community college district;

161 and representatives of each of five accredited private institutions selected biennially, under the  
162 supervision of the coordinating board, by the presidents of all of the state's privately supported  
163 institutions; but always to include at least one representative from one privately supported  
164 community college, one privately supported four-year college, and one privately supported  
165 university. The conferences shall enable the committee to advise the coordinating board of the  
166 views of the institutions on matters within the purview of the coordinating board.

167 4. The University of Missouri, Lincoln University, and all other state-governed colleges  
168 and universities, chapters 172, 174, 175, and others, are transferred by type III transfers to the  
169 department of higher education subject to the provisions of subsection 2 of this section.

170 5. The state historical society, chapter 183, is transferred by type III transfer to the  
171 University of Missouri.

172 6. The state anatomical board, chapter 194, is transferred by type II transfer to the  
173 department of higher education.

174 7. All the powers, duties and functions vested in the division of public schools and state  
175 board of education relating to community college state aid and the supervision, formation of  
176 districts and all matters otherwise related to the state's relations with community college districts  
177 and matters pertaining to community colleges in public school districts, chapters 163, 178, and  
178 others, are transferred to the coordinating board for higher education by type I transfer.  
179 Provided, however, that all responsibility for administering the federal-state programs of  
180 vocational-technical education, except for the 1202a postsecondary educational amendments of  
181 1972 program, shall remain with the department of elementary and secondary education. The  
182 department of elementary and secondary education and the coordinating board for higher  
183 education shall cooperate in developing the various plans for vocational-technical education;  
184 however, the ultimate responsibility will remain with the state board of education.

185 8. All the powers, duties, functions, and properties of the state poultry experiment  
186 station, chapter 262, are transferred by type I transfer to the University of Missouri, and the state  
187 poultry association and state poultry board are abolished. In the event the University of Missouri  
188 shall cease to use the real estate of the poultry experiment station for the purposes of research  
189 or shall declare the same surplus, all real estate shall revert to the governor of the state of  
190 Missouri and shall not be disposed of without legislative approval.

173.040. The coordinating board is directed to submit a written report to the governor  
2 or governor-elect at least forty-five days prior to the opening of each regular session of the  
3 general assembly and to submit the same report to the general assembly within five days after  
4 the opening of each regular session. The report shall include:

5 (1) A statement of the initial coordinated plan for higher education in Missouri, together  
6 with subsequent changes and implementations;

7           (2) A review of recent changes in enrollments and programs among institutions of higher  
8 education in the state;

9           (3) A review of requests and recommendations made by the coordinating board to  
10 institutions of higher education in accordance with section 173.030 and of the college's or  
11 university's response to requests and recommendations, including noncompliance therewith;

12           (4) The coordinating board's recommendations for development and coordination in  
13 state-supported higher education in the forthcoming biennium, within the context of the  
14 long-range coordinated plan;

15           (5) The coordinating board's budget recommendations for each state-supported college  
16 or university for the forthcoming biennium; **and**

17           **(6) The campus-level data on student persistence and a description, including the**  
18 **basis of measurement, of progress towards implementing revised remediation, transfer,**  
19 **and retention practices under subdivisions (6) and (8) of subsection 2 of section 173.005.**

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